

WHARENUI SCHOOL

2014 Annual Report and Financial Statements

School Number

3591

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Wharenui School

Statement of Responsibility

The Board of Trustees has pleasure in presenting the annual report of Wharenui School, incorporating the financial statements and the auditor's report, for the year ended 31 December 2014.

The Board accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

In the opinion of the Board and management, the annual financial statements for the financial year fairly reflect the financial position and operations of the school.

The school's 2014 financial statements are authorised for issue by the Board Chairperson and Principal.


Chairperson

25/05/2015
Date


Principal

25/05/2015
Date

Wharenui School

Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 Actual \$	2014 Budget \$	2013 Actual \$
Income				
Government grants	2	1,503,630	1,449,737	1,508,905
Local fundraising	3	46,855	3,000	15,732
Other income	4	62,257	24,300	43,186
Interest		11,425	7,000	9,828
		<u>1,624,167</u>	<u>1,484,037</u>	<u>1,577,651</u>
Expenditure				
Other income expenditure	4	27,795	3,700	14,290
Learning resources	5	863,139	852,958	917,165
Administration	6	70,786	65,687	72,502
Property	7	557,777	552,561	505,764
Depreciation	11	18,795	20,000	20,169
Reversal of cyclical maintenance	13	(30,920)	-	-
		<u>1,507,372</u>	<u>1,494,906</u>	<u>1,529,890</u>
Net Surplus (Deficit)		<u>116,795</u>	<u>(10,869)</u>	<u>47,761</u>
Other comprehensive income		-	-	-
Total comprehensive income		<u>116,795</u>	<u>(10,869)</u>	<u>47,761</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Wharenuui School

Statement of Changes in Equity

For the year ended 31 December 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Equity at the start of the year	345,284	345,284	287,063
Total comprehensive income	116,795	(10,869)	47,761
MOE capital contribution	-	-	10,460
Equity at the end of the year	462,079	334,415	345,284

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Wharenui School

Statement of Financial Position

As at 31 December 2014

	Notes	2014 Actual \$	2014 Budget \$	2013 Actual \$
Total Equity		462,079	334,415	345,284
Represented by:				
Current Assets				
Cash and cash equivalents	8	128,227	53,500	169,035
Accounts receivable	9	76,152	68,500	60,754
Prepayments		1,608	2,000	1,950
Investments	10	160,858	200,000	81,375
		366,845	324,000	313,114
Current Liabilities				
Accounts payable	12	120,259	105,000	80,558
Income in advance		-	-	6,993
Provision for cyclical maintenance	13	-	5,000	4,968
		120,259	110,000	92,519
Working Capital Surplus (Deficit)		246,586	214,000	220,595
Non-current Assets				
Property, plant and equipment	11	215,493	151,335	150,641
		215,493	151,335	150,641
Non-current Liabilities				
Provision for cyclical maintenance	13	-	30,920	25,952
		-	30,920	25,952
Net Assets		462,079	334,415	345,284

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



Wharenui School

Notes to the Financial Statements

For the year ended 31 December 2014

1. Statement of Significant Accounting Policies

a) Reporting Entity

Wharenui School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees is of the view the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Financial reporting standards applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to public benefit entities that qualify for differential reporting.

Differential reporting

The School qualifies for differential reporting exemptions because it is not publicly accountable as defined in the Framework for Differential Reporting (the Framework) and it is not large. Many of the reporting exemptions available under the Framework have been applied.

Measurement base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation currency

These financial statements are presented in New Zealand dollars.

Specific accounting policies

The accounting policies used in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented.

c) Income Recognition

Government grants

Operational grants are recorded as income as received. Teachers' salaries grants are not received in cash by the school but are paid directly to teachers by the Ministry of Education (the Ministry). They are recorded as income in the salary period they relate to. Other grants are recorded as income as received unless there are unfulfilled conditions attaching to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to income as the conditions are fulfilled.

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. Use of land and building grants are recorded as income in the period the school uses the land and buildings.

Donations

Donations, gifts and bequests are recorded as income when their receipt is formally acknowledged by the School.

Interest income

Interest income on cash and cash equivalents and investments is recorded as income in the period it is earned.

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

g) Accounts Receivable

'Accounts Receivable' represents items that the School has issued invoices for, but has not received payment for at year end. They are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A provision for impairment of Accounts Receivable is established where there is objective evidence the School will not be able to collect all amounts due according to the original terms of the debt.

h) Investments

Investments are held with registered trading banks and are classified as current assets if they have maturities of between three months and one year. Those with maturities greater than 12 months after the balance date are classified as non-current assets. After initial recognition investments are measured at amortised cost using the effective interest method less impairment.

Share investments held by the School are measured at fair value. If shares do not have a quoted market price in an active market and fair value cannot be reliably measured, the shares are measured at cost. Any movements in shares measured at fair value are recognised in equity.

At balance date the School assesses whether there is any objective evidence that an investment is impaired. Any impairment loss is recorded as an expense in the Statement of Comprehensive Income.

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of securities.

i) Property, Plant and Equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Income.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Income.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Income.

The estimated useful lives of the assets are:

	Years
Building improvements – Crown	40
Furniture and equipment	10
Information and communication technology	5
Library books	10
Musical equipment	5
Plant and equipment	10
Sports equipment	5

j) Accounts payable

'Accounts Payable' represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Employee Entitlements**Salary Accruals**

Salary accruals mainly reflect annual leave owing to teachers and ancillary staff and are recognised in respect of employees' services to balance date and are measured at the amounts expected to be paid when the liabilities are settled. There is a corresponding teacher's salaries grant receivable from the Ministry to fund the liability.

Leave Accruals

No provision is required to be recognised for sick leave for any teachers, irrespective of whether a school is above its teaching entitlement as in practice most teacher sick leave is grant funded by the Ministry.

For non-teaching staff, the school is required to report a liability in dollar terms for the relevant leave types, where this information is readily available. Any liability is reported in the school's Current Accounts Payable note to the Financial Statements.

l) Income Received in Advance

Income received in advance relates to income received from where there are unfulfilled obligations for the School to provide services in the future. The income is recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned income, should the School be unable to provide the services to which they relate.

m) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YP).

n) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, GST receivable and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, funds held on behalf of the Ministry of Education, painting contract liability, provision for cyclical maintenance and GST payable. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

o) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

p) Budget figures

The budget figures are extracted from the School budget that was approved by the Board of Trustees.

2. Government Grants

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Operational grants	287,272	275,800	273,188
Teachers salaries grant	704,048	704,048	803,017
Use of land and buildings grant	450,889	450,889	394,447
Other government grants	61,421	19,000	38,253
	<u>1,503,630</u>	<u>1,449,737</u>	<u>1,508,905</u>

3. Local Fundraising

Local funds raised within the School's community are made up of:

	2014 Actual \$	2014 Budget \$	2013 Actual \$
<i>Income</i>			
Donations	46,855	3,000	15,732
	<u>46,855</u>	<u>3,000</u>	<u>15,732</u>

4. Other Income

	2014 Actual \$	2014 Budget \$	2013 Actual \$
<i>Income</i>			
Activities	32,578	5,300	17,796
Trading	29,679	19,000	25,390
	<u>62,257</u>	<u>24,300</u>	<u>43,186</u>
<i>Expenditure</i>			
Activities	27,468	3,700	14,150
Trading	327	-	140
	<u>27,795</u>	<u>3,700</u>	<u>14,290</u>
	<u>34,462</u>	<u>20,600</u>	<u>28,896</u>

Net surplus for the year

5. Learning Resources

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Curricular	36,767	30,910	26,597
Employee benefits - salaries	817,605	815,048	885,506
Staff development	8,767	7,000	5,062
	<u>863,139</u>	<u>852,958</u>	<u>917,165</u>

6. Administration

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Audit fees	2,307	2,307	2,240
Board of Trustees fees	3,960	5,000	4,495
Board of Trustees expenses	1,610	660	1,980
Communication	3,496	4,200	3,611
Consumables	12,264	11,500	12,115
Employee benefits - salaries	26,461	27,000	34,177
General	9,710	7,070	6,189
Operating leases	3,969	2,300	2,394
Staff Expenses	7,009	5,650	5,301
	<u>70,786</u>	<u>65,687</u>	<u>72,502</u>

7. Property

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Caretaking and cleaning consumables	5,301	4,600	5,356
Cyclical maintenance provision	-	5,000	6,095
Grounds	10,785	11,000	8,977
Heat, light and water	16,028	13,000	15,220
Rates	4,391	4,750	4,515
Repairs and maintenance	16,653	11,322	19,895
Use of land and buildings	450,889	450,889	394,447
Employee benefits - salaries	53,730	52,000	51,259
	<u>557,777</u>	<u>552,561</u>	<u>505,764</u>

8. Cash and Cash Equivalents

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Current account	128,227	53,500	19,266
Investments	-	-	149,769
	<u>128,227</u>	<u>53,500</u>	<u>169,035</u>

9. Accounts Receivable

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Banking staffing	1,474	-	-
Debtors	285	-	-
Interest accrued	1,935	1,500	1,550
Teacher salaries grant	62,968	65,000	55,514
GST receivable	9,490	2,000	3,690
	<u>76,152</u>	<u>68,500</u>	<u>60,754</u>

10. Investments

	2014 Actual \$	2014 Budget \$	2012 Actual \$
Short-term deposits with maturities between three months and one year	160,858	200,000	81,375

11. Property, Plant and Equipment

	Cost \$	Depreciation	Accumulated Depreciation \$	Net Book Value \$
2014				
Building improvements - Boards	111,839	2,768	32,010	79,829
Furniture and equipment	107,884	6,923	32,931	74,953
Information and communication technology	151,037	6,340	111,121	39,916
Library resources	44,634	1,257	37,661	6,973
Musical equipment	66	-	66	-
Plant & equipment	54,964	1,507	41,142	13,822
Sports equipment	2,735	-	2,735	-
	<u>473,159</u>	<u>18,795</u>	<u>257,666</u>	<u>215,493</u>

2013				
Building improvements - Boards	111,839	2,768	29,242	82,597
Furniture and equipment	56,105	4,871	30,714	25,391
Information and communication technology	130,895	4,332	107,572	23,323
Library resources	43,879	3,569	36,404	7,475
Musical equipment	66	-	66	-
Plant & equipment	51,490	4,606	39,635	11,855
Sports equipment	2,735	23	2,735	-
	<u>397,009</u>	<u>20,169</u>	<u>246,368</u>	<u>150,641</u>

	2014 \$	2013 \$
Net book value reconciliation		
Net book value at start of year	150,641	155,772
Less: Disposals at book value	-	-
Less: Depreciation charge for the year	18,795	20,169
Add: Asset acquisition at cost	83,647	15,038
Net book value at year end	<u>215,493</u>	<u>150,641</u>

12. Accounts Payable

	2014 Actual	2014 Budget	2013 Actual
	\$	\$	\$
Creditors	50,271	15,000	12,752
Banking staffing overuse	-	20,000	8,825
Employee benefits - leave accrual	7,020	5,000	3,467
Employee benefits - salaries accrual	62,968	65,000	55,514
	<u>120,259</u>	<u>105,000</u>	<u>80,558</u>

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2014 Actual	2014 Budget	2013 Actual
	\$	\$	\$
Provision at the start of the year	30,920	30,920	24,825
Increase to the provision during the year	-	5,000	6,095
Reversal of maintenance provision	(30,920)	-	-
Provision at the end of the year	<u>-</u>	<u>35,920</u>	<u>30,920</u>
Current Liability	-	5,000	4,968
Non Current Liability	-	30,920	25,952
	<u>-</u>	<u>35,920</u>	<u>30,920</u>

The board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2014. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education.

The basis of estimate used by the Board was to roll forward the existing plan until such time a new plan can be submitted to the Ministry for approval. Consequently the provision for cyclical maintenance has been reversed in 2014 due to there being a significant uncertainty over how the programme will affect the school.

The provision has not been adjusted for inflation and the effect of the time value of money.

14. Funds Held for Capital Works Projects

During the year the school received and applied funding from the Ministry of Education for the following capital works projects:

	2013	Opening Balance	Receipts from MOE	Payments	Closing Balance
		\$	\$	\$	\$
Van ash Satellite Unit		(6,938)	52,349	45,411	-
Snow damage		-	8,113	9,199	-
Mains upgrade		-	19,601	19,601	-
Totals		<u>(6,938)</u>	<u>80,063</u>	<u>74,211</u>	<u>-</u>

15. Related Party Transactions

During the year Keri Read, a Board member was employed in during the year as a short term Teacher Aide. Keri was employed under standard terms and conditions.

The school is an entity controlled by the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

16. Remuneration

Board of Trustee and Committee members

The total value of the remuneration paid or payable to trustees of the Board and Committee members was as follows:

	2014 Actual \$	2013 Actual \$
Board of Trustees	3,960	4,495
Committee members	-	-
	<u>3,960</u>	<u>4,495</u>

Principal

The total value of remuneration paid or payable to the Principal is in the following bands:

	2014 Actual \$000	2013 Actual \$000
Salaries and other short term employee benefits:		
Salary and other payments	130-140	120-130
Benefits and other emoluments	-	-
Termination benefits	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2013: nil).

17. Compensation and other Benefits upon leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was as follows:

	2014 Actual	2013 Actual
Total value	-	-
Number of people	-	-

18. Contingencies

Contingent liability - cyclical maintenance

The School has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. The school is part of the Christchurch Schools Rebuild Programme which will result in the School's buildings either being repaired or rebuilt in the future. At the present time there is significant uncertainty over how the programme will affect the School. As a result, the School cannot make a reliable estimate of the maintenance required on the School's buildings so no cyclical maintenance provision has been recognised, even though the school will be required to maintain any buildings that are not replaced.

We also draw your attention to the line item "Reversal of cyclical maintenance" in the Statement of Comprehensive Income on page 3 where the School has reversed all of its provision for cyclical maintenance because of this significant uncertainty.

Contingent asset – subsequent event

The school is expecting to receive insurance proceeds in relation to the damage caused by the earthquakes that occurred on February 2011 to the building 'Studio 8'. This will be received from QBE Insurance for the sum of \$141,450 and this is expected to be received in the 2015 financial year. This building was gifted to the school in 1990 at the end of its useful economic life, and has therefore never been included in the school's accounts.

Contingent liabilities and assets at 31 December 2013: Nil.

19. Commitments

(a) Capital Commitments

As at 31 December 2014 the Board had no capital commitments.

(Capital commitments at 31 December 2013: Nil)

(b) Operating Commitments

As at 31 December 2014 the Board has entered into the following contracts:

(a) Teachers laptops, ICT contract and photocopier lease

	2014 Actual \$	2013 Actual \$
No later than one year	11,612	10,763
Later than one year and no later than five years	2,176	5,427
Later than five years	-	-
	<u>13,788</u>	<u>16,190</u>

20. Greater Christchurch Renewal Programme

On 14 November 2013 the Minister of Education, Hekia Parata, announced an investment to rebuild and renew 115 schools in Greater Christchurch over the next 10 years. Wharenu School has been scheduled for moderate redevelopment commencing in the third quarter of 2015.

In the interim, the Ministry will continue to support schools to maintain their facilities, with work such as minor repairs and maintenance, regardless of indicative timing for property work. It is recognised that those schools with property work scheduled to begin later in the programme, minor capital work and some specific property projects may be necessary for the school to continue operating.

Wharenuui School Members of the Board of Trustees

Name	Ceased
Geoff Parfitt	
Peter Moodie	
Tamara Toaolami	May-14
Keri-Louise Reid	
Phil Steadman	
Tewe Eru	
David Woods	
Rosalie Dyksma	

Gretchen Smith - Principal

The term finishes except for the principal in May 2016.

**INDEPENDENT AUDIT REPORT TO THE READERS OF
WHARENUI SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Auditor-General is the auditor of Wharenuui School (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on her behalf.

We have audited the financial statements of the School on pages 3 to 12 that comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income and statement of changes in equity for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the School on pages 3 to 12:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the School's:
 - financial position as at 31 December 2014; and
 - financial performance for the year ended on that date.

Our audit was completed on 25 May 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities, and explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the School's preparation of financial statements that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Trustees;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

During our audit we assessed the risk of material misstatement arising from the Novopay payroll system that was introduced by the Ministry of Education in August 2012. Our assessment of risk acknowledges that the financial statements may contain errors arising from the Novopay payroll system, but that the cumulative effect of the errors is unlikely to influence readers' overall understanding of the financial statements. We performed audit procedures that included:

- assessing the extent to which school staff, and the Board of Trustees, have examined the year end Novopay payroll reports to satisfy themselves that the payroll total for the year, and the associated payroll related disclosures that are included in the financial statements, are materially correct; and
- carrying out other independent audit tests and procedures to examine the payroll total for the year, and the associated payroll related disclosures, as reported in the financial statements.

As a result of these audit tests and procedures we have obtained all the information and explanations we have required, including obtaining sufficient information about the payroll totals and the associated payroll related disclosures, and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Responsibilities of the Board of Trustees

The Board of Trustees is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect the School's financial position, financial performance.

The Board of Trustees is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Trustees is also responsible for the publication of the financial statements, whether in printed or electronic form.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Education Act 1989.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the School.



Michael Rondel
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand

Kiwi Sport

Kiwisport is a Government funding initiative to support students' participation in organised sport.

In 2014, the school received total Kiwisport funding of \$2,113.43 (excluding GST). The funding was spent on equipment for netball, soccer, and hockey, cricket, modified games, full inclusion Athletics and Opportunities for Year 7 and 8 to go Sailing. The school also benefitted from Kiwi sports sessions.

The number of students participating in organised sport on a Friday for Terms 2 and 3 was over 2/3 of the school roll.